

March 9, 2021

**BY ELECTRONIC MAIL**

Luly E. Massaro, Commission Clerk  
Rhode Island Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

**RE: Docket 5099 – FY 2022 Gas Infrastructure, Safety and Reliability Plan  
Written Analysis Regarding Gas ISR Spend vs. Plant in Service**

Dear Ms. Massaro:

On behalf of National Grid,<sup>1</sup> I have enclosed for filing in the above-referenced docket the Company's written Analysis Regarding Gas ISR Spend vs. Plant in Service.

Thank you for your attention to this matter. If you have any questions, please contact me at 781-472-0531.

Very truly yours,



Raquel J. Webster

cc: Docket 5099 Service List  
Leo Wold, Esq.  
Al Mancini, Division  
John Bell, Division  
Rod Walker, Division

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<sup>1</sup> The Narragansett Electric Company d/b/a National Grid ("National Grid" or the "Company").

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.

\_\_\_\_\_  
Joanne M. Scanlon

March 9, 2021

Date

**Docket No. 5099- National Grid's FY 2022 Gas Infrastructure, Safety and Reliability (ISR) Plan - Service List 1/7/2021**

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### **Written Analysis Regarding Gas ISR Spend vs. Plant in Service**

The Company conducted an analysis to evaluate the impact of calculating a revenue requirement on capital investment for the Company's Gas business under two different approaches: (1) traditional gas investment, where construction commences and concludes within the same fiscal period ("Spending Model"); and (2) less frequent, multi-year construction projects ("Plant-in-Service Model"). Please see Attachment MAL-2 for the Company's analysis.

The results of the Company's analysis reflects that there is essentially no difference in revenue requirement between a Spending Model and a Plant-in-Service Model due to the half-year convention employed in calculating the revenue requirement for the first year in which the investment's revenue requirement is calculated. A half-year convention assumes that plant is placed into service evenly throughout the 12-month period, and, therefore, on average, assets have been in-service and depreciating for half of their first year of investment. Due to the short construction season in the Gas business, which typically runs from April 1 to October 31, a half-year convention is reflective of what occurs in reality. Customers do not stand to significantly benefit from one model or the other. Therefore, the Company believes that both ratemaking approaches are justified for traditional Gas investment where construction commences and concludes within the same 12-month period.

The Company also evaluated the impact on longer-term construction projects, using the Cumberland LNG Tank Replacement project as an example. The Company's analysis shows that on a nominal basis, the total revenue requirement of multi-year construction projects over the life of the assets would be higher using a Plant-in-Service Model, mainly due to Allowance for Funds Used during Construction ("AFUDC") that accrues in a Plant-in-Service Model since project dollars reside in the Construction Work in Progress account. However, on a 20-year net present value ("NPV") basis, customers would benefit from a Plant-in Service Model because customers do not start funding the asset until it is recorded as in-service. Although customers pay more in nominal dollars, the delay in the start of customer funding overcomes the incremental AFUDC included in the capitalized costs over a 20-year NPV analysis.

As a result of this evaluation, the Company has no objection to calculating the revenue requirement for the Gas ISR in a manner consistent with the way the Company calculates its Electric ISR revenue requirement, which is based on a Plant-in-Service model. The Company recommends that the revenue requirement of the Gas investment having a construction cycle of 12 months or less which is estimated to be completed either within a fiscal year or no later than 3 months following the conclusion of a fiscal year be calculated based on the Spending Model currently employed. For significant multi-year projects for which construction extends over more than one 12-month period, the Company recommends the revenue requirement of the capitalized costs of the assets, associated retirements, and cost of removal be calculated based on the Plant-in-Service Method beginning in the year in which the assets are recorded as in service.

Scenario

- 1 Gas capital investment < 1 year to complete  
*Assumes \$180.0 million FY2022 Gas ISR investment Plan as filed*

		<b>Total Revenue</b>		
		<b>Requirement</b>	<b>20-Year NPV</b>	<b>Page Ref.</b>
1a	Plant in Service model	\$253,069,426	\$96,390,748	Page 2 of 26
1b	Capital Spending model	\$253,069,426	\$96,390,748	<i>as filed</i>
	delta	\$0	\$0	

- 2 Multi-year construction projects: Cumberland LNG Tank Replacement as example  
*Assumes \$100 million project to be placed into service in FY 2027*

		<b>Total Revenue</b>		
		<b>Requirement</b>	<b>20-Year NPV</b>	<b>Page Ref.</b>
2a	Plant in Service model	\$236,950,156	\$62,513,940	Page 10 of 26
2b	Capital Spending model	\$230,789,799	\$69,862,972	Page 18 of 26
	delta	(\$6,160,357)	\$7,349,032	







<b>(1a) Gas investment Plant In Service Model, assumes plant placed into service within the FY of construction</b>		31	32	33	34	
The Narragansett Electric Company d/b/a National Grid FY 2022 Gas ISR Revenue Requirement Plan FY 2022 Revenue Requirement FY 2022 Forecasted Incremental Gas Capital Investme						
Line No.		Fiscal Year 2052 (ee)	Fiscal Year 2053 (ff)	Fiscal Year 2054 (gg)	Fiscal Year 2055 (hh)	
<b>Depreciable Net Capital Included in ISR Rate Base</b>						
1	Total Allowed Capital Included in ISR Rate Base in Current Year	As filed Sec 3 Attachment 1	\$0	\$0	\$0	\$0
2	Retirements	As filed Sec 3 Attachment 1	\$0	\$0	\$0	\$0
2a	Allowance for Funds Used During Construction	n/a	\$0	\$0	\$0	\$0
3	Net Depreciable Capital Included in ISR Rate Base	Year 1 = Line 1 - Line 2; then = Prior Year Line 3	\$154,154,259	\$154,154,259	\$154,154,259	\$154,154,259
<b>Change in Net Capital Included in ISR Rate Base</b>						
4	Capital Included in ISR Rate Base	Line 1	\$0	\$0	\$0	\$0
5	Depreciation Expense	As filed Sec 3 Attachment 1	\$0	\$0	\$0	\$0
6	Incremental Capital Amount	Year 1 = Line 4 - Line 5; then = Prior Year Line 6	\$134,507,754	\$134,507,754	\$134,507,754	\$134,507,754
7	Cost of Removal	As filed Sec 3 Attachment 1	\$4,212,654	\$4,212,654	\$4,212,654	\$4,212,654
8	<b>Net Plant Amount</b>	<b>Line 6 + Line 7</b>	<b>\$138,720,408</b>	<b>\$138,720,408</b>	<b>\$138,720,408</b>	<b>\$138,720,408</b>
<b>Deferred Tax Calculation:</b>						
9	Composite Book Depreciation Rate	RIPUC 4770	2.99%	2.99%	2.99%	2.99%
10	Tax Depreciation	Year 1 = Page 16 of 25, Line 21, Col (a); then = Page 16 of 25, Col (d)	\$0	\$0	\$0	\$0
11	Cumulative Tax Depreciation	Year 1 = Line 10; then = Prior Year Line 11 + Current Year Line 10	\$180,231,736	\$180,231,736	\$180,231,736	\$180,231,736
12	Book Depreciation	Year 1 = Line 3 × Line 9 × 50%; then = Line 3 × Line 9	\$4,609,212	\$4,609,212	\$4,609,212	\$4,354,858
13	Cumulative Book Depreciation	Year 1 = Line 12; then = Prior Year Line 13 + Current Year Line 12	\$140,580,976	\$145,190,189	\$149,799,401	\$154,154,259
14	Cumulative Book / Tax Timer	Line 11 - Line 13	\$39,650,759	\$35,041,547	\$30,432,334	\$26,077,477
15	Effective Tax Rate		21.00%	21.00%	21.00%	21.00%
16	Deferred Tax Reserve	Line 14 × Line 15	\$8,326,659	\$7,358,725	\$6,390,790	\$5,476,270
17	Add: FY 2022 Federal NOL utilization	Page 18 of 25, Line 12, Col (e)	\$6,564,587	\$6,564,587	\$6,564,587	\$6,564,587
18	Net Deferred Tax Reserve before Proration Adjustment	Line 16 + Line 17	\$14,891,246	\$13,923,312	\$12,955,377	\$12,040,857
<b>ISR Rate Base Calculation:</b>						
19	Cumulative Incremental Capital Included in ISR Rate Base	Line 8	\$138,720,408	\$138,720,408	\$138,720,408	\$138,720,408
20	Accumulated Depreciation	- Line 13	(\$140,580,976)	(\$145,190,189)	(\$149,799,401)	(\$154,154,259)
21	Deferred Tax Reserve	- Line 18	(\$14,891,246)	(\$13,923,312)	(\$12,955,377)	(\$12,040,857)
22	Year End Rate Base before Deferred Tax Proration	Sum of Lines 19 through 21	(\$16,751,815)	(\$20,393,093)	(\$24,034,370)	(\$27,474,708)
<b>Revenue Requirement Calculation:</b>						
23	Average Rate Base before Deferred Tax Proration Adjustment	Year 1 = Current Year Line 22 ÷ 2; then = (Prior Year Line 22 + Current Year Line 22) ÷ 2	(\$14,931,176)	(\$18,572,454)	(\$22,213,732)	(\$25,754,539)
24	Proration Adjustment	Page 7 of 26, Line 41	(\$41,546)	(\$41,546)	(\$41,546)	(\$39,253)
25	Average ISR Rate Base after Deferred Tax Proration	Line 23 + Line 24	(\$14,972,722)	(\$18,614,000)	(\$22,255,278)	(\$25,793,792)
26	Pre-Tax ROR	RIPUC 4770	8.41%	8.41%	8.41%	8.41%
27	Return and Taxes	Line 25 × Line 26	(\$1,259,206)	(\$1,565,437)	(\$1,871,669)	(\$2,169,258)
28	Book Depreciation	Line 12	\$4,609,212	\$4,609,212	\$4,609,212	\$4,354,858
29	<b>Annual Revenue Requirement</b>	<b>Sum of Lines 27 through 28</b>	<b>\$3,350,006</b>	<b>\$3,043,775</b>	<b>\$2,737,543</b>	<b>\$2,185,600</b>
30	Total Revenue Requirement					
31	20-year NPV					

**(1a) Gas investment Plant In Service Model, assumes plant placed into service within the FY of construction**

The Narragansett Electric Company  
d/b/a National Grid

FY 2022 Gas ISR Revenue Requirement Plan

**Calculation of Tax Depreciation and Repairs Deduction on FY 2022 Incremental Capital Investments**

Line No.			In-Service Year		(b)	(c)	(d)
			Fiscal Year	2022			
			(a)				
	Capital Repairs Deduction						
1	Plant Additions	Page 2 of 26, Line 1	\$175,462,000				
2	Capital Repairs Deduction Rate	Per Tax Department	1/ 81.78%				
3	Capital Repairs Deduction	Line 1 × Line 2	\$143,498,087				
	Bonus Depreciation						
4	Plant Additions	Line 1	\$175,462,000				
5	Less Capital Repairs Deduction	Line 3	\$143,498,087				
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	\$31,963,913				
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	0.00%				
8	Plant Eligible for Bonus Depreciation	Line 6 × Line 7	\$0				
9	Bonus Depreciation Rate 30%	Per Tax Department	0.00%				
10	Bonus Depreciation Rate 0%	Per Tax Department	0.00%				
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%				
12	Bonus Depreciation	Line 8 × Line 11	\$0				
	Remaining Tax Depreciation						
13	Plant Additions	Line 1	\$175,462,000				
14	Less Capital Repairs Deduction	Line 3	\$143,498,087				
15	Less Bonus Depreciation	Line 12	\$0				
16	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	\$31,963,913				
17	20 YR MACRS Tax Depreciation Rates	IRS Publication 946	3.75%				
18	Remaining Tax Depreciation	Line 16 × Line 17	\$1,198,647				
19	FY22 tax (gain)/loss on retirements	Per Tax Department	2/ \$557,081				
20	Cost of Removal	Page 2 of 26, Line 7	\$4,212,654				
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19 & 20	\$149,466,469				

20 Year MACRS Depreciation			
MACRS basis:	\$31,963,913		
	Annual	Cumulative	
Fiscal Year			
2022	3.75%	\$1,198,647	\$149,466,469
2023	7.22%	\$2,307,475	\$151,773,944
2024	6.68%	\$2,134,230	\$153,908,175
2025	6.18%	\$1,974,411	\$155,882,586
2026	5.71%	\$1,826,098	\$157,708,684
2027	5.29%	\$1,689,293	\$159,397,977
2028	4.89%	\$1,562,396	\$160,960,373
2029	4.52%	\$1,445,408	\$162,405,781
2030	4.46%	\$1,426,230	\$163,832,011
2031	4.46%	\$1,425,910	\$165,257,921
2032	4.46%	\$1,426,230	\$166,684,151
2033	4.46%	\$1,425,910	\$168,110,061
2034	4.46%	\$1,426,230	\$169,536,291
2035	4.46%	\$1,425,910	\$170,962,201
2036	4.46%	\$1,426,230	\$172,388,431
2037	4.46%	\$1,425,910	\$173,814,341
2038	4.46%	\$1,426,230	\$175,240,571
2039	4.46%	\$1,425,910	\$176,666,481
2040	4.46%	\$1,426,230	\$178,092,711
2041	4.46%	\$1,425,910	\$179,518,621
2042	2.23%	\$713,115	\$180,231,736
	100.00%	\$31,963,913	

1/ Capital Repairs percentage is based on a three-year average of FYs 2018, 2019 and 2020 capital repairs rates.  
2/ FY 2022 estimated tax loss on retirements is tax department estimate

**(1a) Gas investment Plant In Service Model, assumes plant placed into service within the FY of construction**

The Narragansett Electric Company  
d/b/a National Grid

FY 2022 Gas ISR Revenue Requirement Plan

Calculation of Net Deferred Tax Reserve Proration on FY 2022 Incremental Capital Investments

Line No.		1 (a) 2022	2 (b) 2023	3 (c) 2024	4 (d) 2025	5 (e) 2026	6 (f) 2027	7 (g) 2028	8 (h) 2029	9 (i) 2030	10 (j) 2031	11 (k) 2032	12 (l) 2033
	<b>Deferred Tax Subject to Proration</b>												
1	Book Depreciation												
2	Bonus Depreciation												
3	Remaining MACRS Tax Depreciation												
4	FY22 tax (gain)/loss on retirements												
5	Cumulative Book / Tax Timer												
6	Effective Tax Rate												
7	Deferred Tax Reserve												
8	Capital Repairs Deduction												
9	Cost of Removal												
10	Book/Tax Depreciation Timing Difference at 3/31/2022												
11	Cumulative Book / Tax Timer												
12	Effective Tax Rate												
13	Deferred Tax Reserve												
14	Total Deferred Tax Reserve												
15	Net Operating Loss												
16	Net Deferred Tax Reserve												
17	Allocation of FY 2022 Estimated Federal NOL												
18	Cumulative Book/Tax Timer Subject to Proration												
19	Cumulative Book/Tax Timer Not Subject to Proration												
20	Total FY 2022 Federal NOL												
21	Allocated FY 2021 Federal NOL Not Subject to Proration												
22	Allocated FY 2021 Federal NOL Subject to Proration												
23	Effective Tax Rate												
24	Deferred Tax Benefit subject to proration												
25	Net Deferred Tax Reserve subject to proration												
		(h)	(i)	(j)	(k)	(k)	(k)						
	<b>Proration Calculation</b>												
		Number of Days in											
		Month	Proration Percentage										
26	April	30	91.78%	\$10,689	\$36,970	\$39,752	\$42,319	\$44,701	\$46,899	\$48,937	\$50,816	\$51,124	\$51,129
27	May	31	83.29%	\$9,699	\$33,549	\$36,074	\$38,403	\$40,565	\$42,559	\$44,408	\$46,114	\$46,393	\$46,398
28	June	30	75.07%	\$8,742	\$30,238	\$32,514	\$34,613	\$36,562	\$38,359	\$40,026	\$41,563	\$41,819	\$41,819
29	July	31	66.58%	\$7,753	\$26,817	\$28,835	\$30,697	\$32,425	\$34,019	\$35,497	\$36,860	\$37,084	\$37,088
30	August	31	58.08%	\$6,764	\$23,396	\$25,157	\$26,781	\$28,289	\$29,679	\$30,969	\$32,158	\$32,353	\$32,356
31	September	30	49.86%	\$5,807	\$20,085	\$21,597	\$22,991	\$24,286	\$25,479	\$26,587	\$27,607	\$27,775	\$27,778
32	October	31	41.37%	\$4,818	\$16,664	\$17,918	\$19,075	\$20,149	\$21,139	\$22,058	\$22,905	\$23,044	\$23,046
33	November	30	33.15%	\$3,861	\$13,353	\$14,358	\$15,285	\$16,146	\$16,940	\$17,676	\$18,354	\$18,466	\$18,468
34	December	31	24.66%	\$2,872	\$9,932	\$10,680	\$11,369	\$12,009	\$12,600	\$13,147	\$13,652	\$13,735	\$13,736
35	January	31	16.16%	\$1,882	\$6,511	\$7,001	\$7,453	\$7,873	\$8,260	\$8,619	\$8,950	\$9,004	\$9,005
36	February	28	8.49%	\$989	\$3,421	\$3,679	\$3,916	\$4,137	\$4,340	\$4,528	\$4,702	\$4,731	\$4,731
37	March	31	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
38	Total	365		\$63,876	\$220,935	\$237,564	\$252,905	\$267,141	\$280,272	\$292,453	\$303,682	\$305,523	\$305,553
39	Deferred Tax Without Proration			\$139,749	\$483,365	\$519,746	\$553,308	\$584,454	\$613,183	\$639,831	\$664,399	\$668,426	\$668,493
40	Average Deferred Tax without Proration												
41	Proration Adjustment												

**Column Notes:**

- (i) Sum of remaining days in the year (Col (h)) divided by 365
- (j) & (k) Current Year Line 25 ÷ 12 × Current Month Col (i)

**(1a) Gas investment Plant In Service Model, assumes plant placed into service within the FY of construction**  
The Narragansett Electric Company  
d/b/a National Grid  
**FY 2022 Gas ISR Revenue Requirement Plan**  
**Calculation of Net Deferred Tax Reserve Proration on FY 2022 Incremental Capital In**

Line No.		13 (m) 2034	14 (n) 2035	15 (o) 2036	16 (p) 2037	17 (q) 2038	18 (r) 2039	19 (s) 2040	20 (t) 2041	21 (u) 2042	22 (v) 2043	23 (w) 2044	24 (x) 2045	25 (y) 2046
1	<b>Deferred Tax Subject to Proration</b>													
2	Book Depreciation	Page 2 of 26 , Line 12	\$4,609,212	\$4,609,212	\$4,609,212	\$4,609,212	\$4,609,212	\$4,609,212	\$4,609,212	\$4,609,212	\$4,609,212	\$4,609,212	\$4,609,212	\$4,609,212
2	Bonus Depreciation	- Page 6 of 26 , Line 12 ,Col (a)												
3	Remaining MACRS Tax Depreciation	- Page 6 of 26 , Col (e)	(\$1,426,230)	(\$1,425,910)	(\$1,426,230)	(\$1,425,910)	(\$1,426,230)	(\$1,425,910)	(\$1,426,230)	(\$1,425,910)	(\$713,115)	\$0	\$0	\$0
4	FY22 tax (gain)/loss on retirements	- Page 6 of 26 , Line 19 ,Col (a)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	\$3,182,983	\$3,183,302	\$3,182,983	\$3,183,302	\$3,182,983	\$3,183,302	\$3,182,983	\$3,183,302	\$3,896,097	\$4,609,212	\$4,609,212	\$4,609,212
6	Effective Tax Rate		21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
7	Deferred Tax Reserve	Line 5 × Line 6	\$668,426	\$668,493	\$668,426	\$668,493	\$668,426	\$668,493	\$668,426	\$668,493	\$818,180	\$967,935	\$967,935	\$967,935
8	Deferred Tax Not Subject to Proration													
9	Capital Repairs Deduction	- Page 6 of 26 , Line 3 ,Col (a)												
10	Cost of Removal	- Page 6 of 26 , Line 20												
11	Book/Tax Depreciation Timing Difference at 3/31/2022													
12	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10												
13	Effective Tax Rate													
14	Deferred Tax Reserve	Line 11 × Line 12												
15	Total Deferred Tax Reserve	Line 7 + Line 13	\$668,426	\$668,493	\$668,426	\$668,493	\$668,426	\$668,493	\$668,426	\$668,493	\$818,180	\$967,935	\$967,935	\$967,935
16	Net Operating Loss	- Page 2 of 26 , Line 17												
17	Net Deferred Tax Reserve	Line 14 + Line 15	\$668,426	\$668,493	\$668,426	\$668,493	\$668,426	\$668,493	\$668,426	\$668,493	\$818,180	\$967,935	\$967,935	\$967,935
18	Allocation of FY 2022 Estimated Federal NOL													
19	Cumulative Book/Tax Timer Subject to Proration	Line 5												
20	Cumulative Book/Tax Timer Not Subject to Proration	Line 11												
21	Total Cumulative Book/Tax Timer	Line 17 + Line 18												
22	Total FY 2022 Federal NOL	Line 15 / 21.0%												
23	Allocated FY 2021 Federal NOL Not Subject to Proration	(Line 18 ÷ Line 19) × Line 20												
24	Allocated FY 2021 Federal NOL Subject to Proration	(Line 17 ÷ Line 19) × Line 20												
25	Effective Tax Rate													
26	Deferred Tax Benefit subject to proration	Line 22 × Line 23												
27	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	\$668,426	\$668,493	\$668,426	\$668,493	\$668,426	\$668,493	\$668,426	\$668,493	\$818,180	\$967,935	\$967,935	\$967,935
28			(h)	(i)	(k)									
29	<b>Proration Calculation</b>	<b>Number of Days in Month</b>	<b>Proration Percentage</b>	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
30	April	30	91.78%	\$51,124	\$51,129	\$51,124	\$51,129	\$51,124	\$51,129	\$51,124	\$51,129	\$62,578	\$74,032	\$74,032
31	May	31	83.29%	\$46,393	\$46,398	\$46,393	\$46,398	\$46,393	\$46,398	\$46,393	\$46,398	\$56,787	\$67,181	\$67,181
32	June	30	75.07%	\$41,815	\$41,819	\$41,815	\$41,819	\$41,815	\$41,819	\$41,815	\$41,819	\$51,183	\$60,551	\$60,551
33	July	31	66.58%	\$37,084	\$37,088	\$37,084	\$37,088	\$37,084	\$37,088	\$37,084	\$37,088	\$45,392	\$53,700	\$53,700
34	August	31	58.08%	\$32,353	\$32,356	\$32,353	\$32,356	\$32,353	\$32,356	\$32,353	\$32,356	\$39,601	\$46,850	\$46,850
35	September	30	49.86%	\$27,775	\$27,778	\$27,775	\$27,778	\$27,775	\$27,778	\$27,775	\$27,778	\$33,997	\$40,220	\$40,220
36	October	31	41.37%	\$23,044	\$23,046	\$23,044	\$23,046	\$23,044	\$23,046	\$23,044	\$23,046	\$28,207	\$33,369	\$33,369
37	November	30	33.15%	\$18,466	\$18,468	\$18,466	\$18,468	\$18,466	\$18,468	\$18,466	\$18,468	\$22,603	\$26,740	\$26,740
38	December	31	24.66%	\$13,735	\$13,736	\$13,735	\$13,736	\$13,735	\$13,736	\$13,735	\$13,736	\$16,812	\$19,889	\$19,889
39	January	31	16.16%	\$9,004	\$9,005	\$9,004	\$9,005	\$9,004	\$9,005	\$9,004	\$9,005	\$11,021	\$13,038	\$13,038
40	February	28	8.49%	\$4,731	\$4,731	\$4,731	\$4,731	\$4,731	\$4,731	\$4,731	\$4,731	\$5,791	\$6,851	\$6,851
41	March	31	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
42	Total	365		\$305,523	\$305,553	\$305,523	\$305,553	\$305,523	\$305,553	\$305,523	\$305,553	\$373,972	\$442,421	\$442,421
43	Deferred Tax Without Proration	Line 25		\$668,426	\$668,493	\$668,426	\$668,493	\$668,426	\$668,493	\$668,426	\$668,493	\$818,180	\$967,935	\$967,935
44	Average Deferred Tax without Proration													
45	Proration Adjustment	Line 39 × 0.5		\$334,213	\$334,247	\$334,213	\$334,247	\$334,213	\$334,247	\$334,213	\$334,247	\$409,090	\$483,967	\$483,967
46		Line 38 - Line 40		(\$28,690)	(\$28,693)	(\$28,690)	(\$28,693)	(\$28,690)	(\$28,693)	(\$28,690)	(\$28,693)	(\$35,118)	(\$41,546)	(\$41,546)

**Column Notes:**  
(i) Sum of remaining days in the year (Col (h)) divided by 365  
(j) & (k) Current Year Line 25 ÷ 12 × Current Month Col (i)

**(La) Gas investment Plant In Service Model, assumes plant placed into service within the FY of construction**

The Narragansett Electric Company  
d/b/a National Grid

FY 2022 Gas ISR Revenue Requirement Plan

Calculation of Net Deferred Tax Reserve Proration on FY 2022 Incremental Capital Expenditures

Line No.		26 (z) 2047	27 (aa) 2048	28 (bb) 2049	29 (cc) 2050	30 (dd) 2051	31 (ee) 2052	32 (ff) 2053	33 (gg) 2054	34 (hh) 2055		
	<b>Deferred Tax Subject to Proration</b>											
1	Book Depreciation											
2	Bonus Depreciation											
3	Remaining MACRS Tax Depreciation											
4	FY22 tax (gain)/loss on retirements											
5	Cumulative Book / Tax Timer											
6	Effective Tax Rate											
7	Deferred Tax Reserve											
8	Capital Repairs Deduction											
9	Cost of Removal											
10	Book/Tax Depreciation Timing Difference at 3/31/2022											
11	Cumulative Book / Tax Timer											
12	Effective Tax Rate											
13	Deferred Tax Reserve											
14	Total Deferred Tax Reserve											
15	Net Operating Loss											
16	Net Deferred Tax Reserve											
17	Allocation of FY 2022 Estimated Federal NOL											
18	Cumulative Book/Tax Timer Subject to Proration											
19	Cumulative Book/Tax Timer Not Subject to Proration											
20	Total FY 2022 Federal NOL											
21	Allocated FY 2021 Federal NOL Not Subject to Proration											
22	Allocated FY 2021 Federal NOL Subject to Proration											
23	Effective Tax Rate											
24	Deferred Tax Benefit subject to proration											
25	Net Deferred Tax Reserve subject to proration											
		(h)	(i)	(k)								
		Number of Days in										
	<b>Proration Calculation</b>	Month	Proration Percentage	2047	2048	2049	2050	2051	2052	2053	2054	2055
26	April	30	91.78%	\$74,032	\$74,032	\$74,032	\$74,032	\$74,032	\$74,032	\$74,032	\$74,032	\$69,946
27	May	31	83.29%	\$67,181	\$67,181	\$67,181	\$67,181	\$67,181	\$67,181	\$67,181	\$67,181	\$63,474
28	June	30	75.07%	\$60,551	\$60,551	\$60,551	\$60,551	\$60,551	\$60,551	\$60,551	\$60,551	\$57,210
29	July	31	66.58%	\$53,700	\$53,700	\$53,700	\$53,700	\$53,700	\$53,700	\$53,700	\$53,700	\$50,737
30	August	31	58.08%	\$46,850	\$46,850	\$46,850	\$46,850	\$46,850	\$46,850	\$46,850	\$46,850	\$44,264
31	September	30	49.86%	\$40,220	\$40,220	\$40,220	\$40,220	\$40,220	\$40,220	\$40,220	\$40,220	\$38,001
32	October	31	41.37%	\$33,369	\$33,369	\$33,369	\$33,369	\$33,369	\$33,369	\$33,369	\$33,369	\$31,528
33	November	30	33.15%	\$26,740	\$26,740	\$26,740	\$26,740	\$26,740	\$26,740	\$26,740	\$26,740	\$25,264
34	December	31	24.66%	\$19,889	\$19,889	\$19,889	\$19,889	\$19,889	\$19,889	\$19,889	\$19,889	\$18,792
35	January	31	16.16%	\$13,038	\$13,038	\$13,038	\$13,038	\$13,038	\$13,038	\$13,038	\$13,038	\$12,319
36	February	28	8.49%	\$6,851	\$6,851	\$6,851	\$6,851	\$6,851	\$6,851	\$6,851	\$6,851	\$6,473
37	March	31	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
38	Total	365		\$442,421	\$442,421	\$442,421	\$442,421	\$442,421	\$442,421	\$442,421	\$442,421	\$418,007
39	Deferred Tax Without Proration											
40	Average Deferred Tax without Proration											
41	Proration Adjustment											

**Column Notes:**  
(i) Sum of remaining days in the year (Col (h)) divided by 365  
(j) & (k) Current Year Line 25 ÷ 12 × Current Month Col (i)









**(2a) Cumberland LNG investment Plant In Service Model, CWIP accrues AFUDC**

**The Narragansett Electric Company  
d/b/a National Grid  
FY 2022 Gas ISR Revenue Requirement Plan  
Calculation of Tax Depreciation and Repairs Deduction on FY 2022 Incremental Capital Investments**

Line No.			In-Service Year			
			Fiscal Year			
			<u>2027</u>			
			(a)	(b)	(c)	(d)
Capital Repairs Deduction						
1	Plant Additions	Page 10 of 26, Line 3	\$110,740,000			
2	Capital Repairs Deduction Rate	Per Tax Department 1/	81.78%			
3	Capital Repairs Deduction	Line 1 × Line 2	<u>\$90,566,494</u>			
Bonus Depreciation						
4	Plant Additions	Line 1	\$110,740,000			
5	Less Capital Repairs Deduction	Line 3	<u>\$90,566,494</u>			
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5	<u>\$20,173,506</u>			
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department	<u>0.00%</u>			
8	Plant Eligible for Bonus Depreciation	Line 6 × Line 7	\$0			
9	Bonus Depreciation Rate 30%	Per Tax Department	0.00%			
10	Bonus Depreciation Rate 0%	Per Tax Department	<u>0.00%</u>			
11	Total Bonus Depreciation Rate	Line 9 + Line 10	0.00%			
12	Bonus Depreciation	Line 8 × Line 11	\$0			
Remaining Tax Depreciation						
13	Plant Additions	Line 1	\$110,740,000			
14	Less Capital Repairs Deduction	Line 3	\$90,566,494			
15	Less Bonus Depreciation	Line 12	\$0			
16	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15	<u>\$20,173,506</u>			
17	20 YR MACRS Tax Depreciation Rates	IRS Publication 946	<u>3.75%</u>			
18	Remaining Tax Depreciation	Line 16 × Line 17	<u>\$756,506</u>			
19	FY27 tax (gain)/loss on retirements	Per Tax Department 2/	\$0			
20	Cost of Removal	Page 10 of 26, Line 17	\$0			
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19 & 20	<u><u>\$91,323,000</u></u>			

20 Year MACRS Depreciation			
MACRS basis:		\$20,173,506	
	Annual	Cumulative	
Fiscal Year			
2027	3.75%	\$756,506	\$91,323,000
2028	7.22%	\$1,456,325	\$92,779,325
2029	6.68%	\$1,346,985	\$94,126,310
2030	6.18%	\$1,246,117	\$95,372,428
2031	5.71%	\$1,152,512	\$96,524,940
2032	5.29%	\$1,066,170	\$97,591,110
2033	4.89%	\$986,081	\$98,577,191
2034	4.52%	\$912,246	\$99,489,437
2035	4.46%	\$900,142	\$100,389,579
2036	4.46%	\$899,940	\$101,289,519
2037	4.46%	\$900,142	\$102,189,661
2038	4.46%	\$899,940	\$103,089,601
2039	4.46%	\$900,142	\$103,989,743
2040	4.46%	\$899,940	\$104,889,683
2041	4.46%	\$900,142	\$105,789,825
2042	4.46%	\$899,940	\$106,689,765
2043	4.46%	\$900,142	\$107,589,907
2044	4.46%	\$899,940	\$108,489,847
2045	4.46%	\$900,142	\$109,389,989
2046	4.46%	\$899,940	\$110,289,929
2047	2.23%	\$450,071	\$110,740,000
	100.00%	\$20,173,506	

1/ Capital Repairs percentage is based on a three-year average of FYs 2018, 2019 and 2020 capital repairs rates.  
2/ FY 2022 estimated tax loss on retirements is tax department estimate

**(2a) Cumberland LNG investment Plant In Service Model CWIP accrues AFUDC**

The Narragansett Electric Company  
d/b/a National Grid

**FY 2022 Gas ISR Revenue Requirement Plan**

**Calculation of Net Deferred Tax Reserve Proration on FY 2022 Incremental Capital Investments**

Line No.		(a) 2027	(b) 2028	(c) 2029	(d) 2030	(e) 2031	(f) 2032	(g) 2033	(h) 2034	(i) 2035	(j) 2036	(k) 2037	(l) 2038
1	Book Depreciation												
2	Bonus Depreciation												
3	Remaining MACRS Tax Depreciation												
4	FY27 tax (gain)/loss on retirements												
5	Cumulative Book / Tax Timer												
6	Effective Tax Rate												
7	Deferred Tax Reserve												
8	Capital Repairs Deduction												
9	Cost of Removal												
10	Book/Tax Depreciation Timing Difference at 3/31/2022												
11	Cumulative Book / Tax Timer												
12	Effective Tax Rate												
13	Deferred Tax Reserve												
14	Total Deferred Tax Reserve												
15	Net Operating Loss												
16	Net Deferred Tax Reserve												
17	Allocation of FY 2022 Estimated Federal NOL												
18	Cumulative Book/Tax Timer Subject to Proration												
19	Cumulative Book/Tax Timer Not Subject to Proration												
20	Total FY 2022 Federal NOL												
21	Allocated FY 2022 Federal NOL Not Subject to Proration												
22	Allocated FY 2022 Federal NOL Subject to Proration												
23	Effective Tax Rate												
24	Deferred Tax Benefit subject to proration												
25	Net Deferred Tax Reserve subject to proration												
		(h)	(i)	(j)	(k)								
	<b>Proration Calculation</b>	<b>Number of Days in</b>	<b>Month</b>	<b>Proration Percentage</b>	2027	2028	2029	2030	2031	2032	2033	2034	2035
26	April	30	91.78%	\$14,440	\$29,791	\$31,547	\$33,167	\$34,671	\$36,058	\$37,344	\$38,530	\$38,724	\$38,728
27	May	31	83.29%	\$13,104	\$27,034	\$28,628	\$30,098	\$31,463	\$32,721	\$33,888	\$34,964	\$35,141	\$35,144
28	June	30	75.07%	\$11,811	\$24,366	\$25,803	\$27,128	\$28,358	\$29,492	\$30,544	\$31,514	\$31,673	\$31,676
29	July	31	66.58%	\$10,475	\$21,610	\$22,884	\$24,059	\$25,149	\$26,155	\$27,088	\$27,949	\$28,090	\$28,092
30	August	31	58.08%	\$9,138	\$18,853	\$19,964	\$20,990	\$21,941	\$22,819	\$23,633	\$24,383	\$24,506	\$24,508
31	September	30	49.86%	\$7,845	\$16,185	\$17,139	\$18,019	\$18,836	\$19,590	\$20,288	\$20,933	\$21,038	\$21,040
32	October	31	41.37%	\$6,509	\$13,428	\$14,220	\$14,950	\$15,628	\$16,253	\$16,833	\$17,367	\$17,455	\$17,456
33	November	30	33.15%	\$5,216	\$10,760	\$11,395	\$11,980	\$12,523	\$13,024	\$13,488	\$13,917	\$13,987	\$13,988
34	December	31	24.66%	\$3,879	\$8,004	\$8,475	\$8,911	\$9,315	\$9,687	\$10,033	\$10,351	\$10,404	\$10,404
35	January	31	16.16%	\$2,543	\$5,247	\$5,556	\$5,841	\$6,106	\$6,350	\$6,577	\$6,786	\$6,820	\$6,821
36	February	28	8.49%	\$1,336	\$2,757	\$2,919	\$3,069	\$3,208	\$3,337	\$3,456	\$3,565	\$3,583	\$3,584
37	March	31	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
38	Total	365		\$86,297	\$178,035	\$188,531	\$198,213	\$207,197	\$215,485	\$223,172	\$230,260	\$231,421	\$231,441
39	Deferred Tax Without Proration		Line 25	\$188,802	\$389,508	\$412,470	\$433,652	\$453,309	\$471,441	\$488,259	\$503,765	\$506,307	\$506,349
40	Average Deferred Tax without Proration		Line 39 × 0.5	\$94,401	\$194,754	\$206,235	\$216,826	\$226,654	\$235,720	\$244,130	\$251,882	\$253,153	\$253,175
41	Proration Adjustment		Line 38 - Line 40	(\$8,104)	(\$16,719)	(\$17,704)	(\$18,613)	(\$19,457)	(\$20,235)	(\$20,957)	(\$21,623)	(\$21,732)	(\$21,734)

**Column Notes:**

- (i) Sum of remaining days in the year (Col (h)) divided by 365
- (j) & (k) Current Year Line 25 ÷ 12 × Current Month Col (i)

**(2a) Cumberland LNG investment Plant In Service Model CWIP accrues AFUDC**  
The Narragansett Electric Company  
d/b/a National Grid  
**FY 2022 Gas ISR Revenue Requirement Plan**  
**Calculation of Net Deferred Tax Reserve Proration on FY 2022 Incremental Capital In**

Line No.		13 (m) 2039	14 (n) 2040	15 (o) 2041	16 (p) 2042	17 (q) 2043	18 (r) 2044	19 (s) 2045	20 (t) 2046	21 (u) 2047	22 (v) 2048	23 (w) 2049	24 (x) 2050	25 (y) 2051	26 (z) 2052		
1	Book Depreciation																
2	Bonus Depreciation																
3	Remaining MACRS Tax Depreciation																
4	FY27 tax (gain)/loss on retirements																
5	Cumulative Book / Tax Timer																
6	Effective Tax Rate																
7	Deferred Tax Reserve																
8	Capital Repairs Deduction																
9	Cost of Removal																
10	Book/Tax Depreciation Timing Difference at 3/31/2022																
11	Cumulative Book / Tax Timer																
12	Effective Tax Rate																
13	Deferred Tax Reserve																
14	Total Deferred Tax Reserve																
15	Net Operating Loss																
16	Net Deferred Tax Reserve																
17	Allocation of FY 2027 Estimated Federal NOL																
18	Cumulative Book/Tax Timer Subject to Proration																
19	Cumulative Book/Tax Timer Not Subject to Proration																
20	Total Cumulative Book/Tax Timer																
21	Total FY 2027 Federal NOL																
22	Allocated FY 2027 Federal NOL Not Subject to Proration																
23	Allocated FY 2027 Federal NOL Subject to Proration																
24	Effective Tax Rate																
25	Deferred Tax Benefit subject to proration																
26	Net Deferred Tax Reserve subject to proration																
		(h)	(i)	(k)													
	<b>Proration Calculation</b>	<b>Month</b>	<b>Proration Percentage</b>	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
26	April	30	91.78%	\$38,724	\$38,728	\$38,724	\$38,728	\$38,724	\$38,728	\$38,724	\$38,728	\$45,953	\$53,182	\$53,182	\$53,182	\$53,182	\$53,182
27	May	31	83.29%	\$35,141	\$35,144	\$35,141	\$35,144	\$35,141	\$35,144	\$35,141	\$35,144	\$41,701	\$48,261	\$48,261	\$48,261	\$48,261	\$48,261
28	June	30	75.07%	\$31,673	\$31,676	\$31,673	\$31,676	\$31,673	\$31,676	\$31,673	\$31,676	\$37,586	\$43,498	\$43,498	\$43,498	\$43,498	\$43,498
29	July	31	66.58%	\$28,090	\$28,092	\$28,090	\$28,092	\$28,090	\$28,092	\$28,090	\$28,092	\$33,333	\$38,577	\$38,577	\$38,577	\$38,577	\$38,577
30	August	31	58.08%	\$24,506	\$24,508	\$24,506	\$24,508	\$24,506	\$24,508	\$24,506	\$24,508	\$29,081	\$33,656	\$33,656	\$33,656	\$33,656	\$33,656
31	September	30	49.86%	\$21,038	\$21,040	\$21,038	\$21,040	\$21,038	\$21,040	\$21,038	\$21,040	\$24,966	\$28,893	\$28,893	\$28,893	\$28,893	\$28,893
32	October	31	41.37%	\$17,455	\$17,456	\$17,455	\$17,456	\$17,455	\$17,456	\$17,455	\$17,456	\$20,713	\$23,972	\$23,972	\$23,972	\$23,972	\$23,972
33	November	30	33.15%	\$13,987	\$13,988	\$13,987	\$13,988	\$13,987	\$13,988	\$13,987	\$13,988	\$16,598	\$19,209	\$19,209	\$19,209	\$19,209	\$19,209
34	December	31	24.66%	\$10,404	\$10,404	\$10,404	\$10,404	\$10,404	\$10,404	\$10,404	\$10,404	\$12,346	\$14,288	\$14,288	\$14,288	\$14,288	\$14,288
35	January	31	16.16%	\$6,820	\$6,821	\$6,820	\$6,821	\$6,820	\$6,821	\$6,820	\$6,821	\$8,093	\$9,366	\$9,366	\$9,366	\$9,366	\$9,366
36	February	28	8.49%	\$3,583	\$3,584	\$3,583	\$3,584	\$3,583	\$3,584	\$3,583	\$3,584	\$4,252	\$4,921	\$4,921	\$4,921	\$4,921	\$4,921
37	March	31	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
38	Total	365		\$231,421	\$231,441	\$231,421	\$231,441	\$231,421	\$231,441	\$231,421	\$231,441	\$274,622	\$317,823	\$317,823	\$317,823	\$317,823	\$317,823
39	Deferred Tax Without Proration																
40	Average Deferred Tax without Proration																
41	Proration Adjustment																

**Column Notes:**  
(i) Sum of remaining days in the year (Col (h)) divided by 365  
(j) & (k) Current Year Line 25 ÷ 12 × Current Month Col (i)

**(2a) Cumberland LNG investment Plant In Service Model CWIP accrues AFUDC**  
The Narragansett Electric Company  
d/b/a National Grid  
**FY 2022 Gas ISR Revenue Requirement Plan**  
**Calculation of Net Deferred Tax Reserve Proration on FY 2022 Incremental Capital In**

Line No.		27	28	29	30	31	32	33	34	35		
		(aa) 2053	(bb) 2054	(cc) 2055	(dd) 2056	(ee) 2057	(ff) 2058	(gg) 2059	(hh) 2060	(ii) 2061		
1	Book Depreciation											
2	Bonus Depreciation											
3	Remaining MACRS Tax Depreciation											
4	FY27 tax (gain)/loss on retirements											
5	Cumulative Book / Tax Timer											
6	Effective Tax Rate											
7	Deferred Tax Reserve											
8	Capital Repairs Deduction											
9	Cost of Removal											
10	Book/Tax Depreciation Timing Difference at 3/31/2022											
11	Cumulative Book / Tax Timer											
12	Effective Tax Rate											
13	Deferred Tax Reserve											
14	Total Deferred Tax Reserve											
15	Net Operating Loss											
16	Net Deferred Tax Reserve											
17	Cumulative Book/Tax Timer Subject to Proration											
18	Cumulative Book/Tax Timer Not Subject to Proration											
19	Total Cumulative Book/Tax Timer											
20	Total FY 2027 Federal NOL											
21	Allocated FY 2027 Federal NOL Not Subject to Proration											
22	Allocated FY 2027 Federal NOL Subject to Proration											
23	Effective Tax Rate											
24	Deferred Tax Benefit subject to proration											
25	Net Deferred Tax Reserve subject to proration											
		(h)	(i)	(k)								
		<u>Number of Days in</u>										
		<u>Month</u>	<u>Proration Percentage</u>	2053	2054	2055	2056	2057	2058	2059	2060	2061
26	April	30	91.78%	\$53,182	\$53,182	\$53,182	\$53,182	\$53,182	\$53,182	\$53,182	\$50,247	\$0
27	May	31	83.29%	\$48,261	\$48,261	\$48,261	\$48,261	\$48,261	\$48,261	\$48,261	\$45,598	\$0
28	June	30	75.07%	\$43,498	\$43,498	\$43,498	\$43,498	\$43,498	\$43,498	\$43,498	\$41,098	\$0
29	July	31	66.58%	\$38,577	\$38,577	\$38,577	\$38,577	\$38,577	\$38,577	\$38,577	\$36,448	\$0
30	August	31	58.08%	\$33,656	\$33,656	\$33,656	\$33,656	\$33,656	\$33,656	\$33,656	\$31,798	\$0
31	September	30	49.86%	\$28,893	\$28,893	\$28,893	\$28,893	\$28,893	\$28,893	\$28,893	\$27,299	\$0
32	October	31	41.37%	\$23,972	\$23,972	\$23,972	\$23,972	\$23,972	\$23,972	\$23,972	\$22,649	\$0
33	November	30	33.15%	\$19,209	\$19,209	\$19,209	\$19,209	\$19,209	\$19,209	\$19,209	\$18,149	\$0
34	December	31	24.66%	\$14,288	\$14,288	\$14,288	\$14,288	\$14,288	\$14,288	\$14,288	\$13,499	\$0
35	January	31	16.16%	\$9,366	\$9,366	\$9,366	\$9,366	\$9,366	\$9,366	\$9,366	\$8,850	\$0
36	February	28	8.49%	\$4,921	\$4,921	\$4,921	\$4,921	\$4,921	\$4,921	\$4,921	\$4,650	\$0
37	March	31	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
38	Total	365		\$317,823	\$317,823	\$317,823	\$317,823	\$317,823	\$317,823	\$317,823	\$300,284	\$0
39	Deferred Tax Without Proration			\$695,336	\$695,336	\$695,336	\$695,336	\$695,336	\$695,336	\$695,336	\$656,965	\$0
40	Average Deferred Tax without Proration											
41	Proration Adjustment			\$347,668	\$347,668	\$347,668	\$347,668	\$347,668	\$347,668	\$347,668	\$328,483	\$0
				(\$29,845)	(\$29,845)	(\$29,845)	(\$29,845)	(\$29,845)	(\$29,845)	(\$29,845)	(\$28,198)	\$0

**Column Notes:**  
(i) Sum of remaining days in the year (Col (h)) divided by 365  
(j) & (k) Current Year Line 25 ÷ 12 × Current Month Col (i)

<b>(2b) Cumberland LNG investment, Spend model, recovery of book depreciation begins when placed into service</b>		1	2	3	4	5	6			
The Narragansett Electric Company d/b/a National Grid FY 2022 Gas ISR Revenue Requirement Plan FY 2022 Revenue Requirement FY 2022 Forecasted Incremental Gas Capital Investment										
Line No.		Spend Year 1 Fiscal Year 2024 (a)	Spend Year 2 Fiscal Year 2025 (b)	Spend Year 3 Fiscal Year 2026 (c)	In-Service Year Fiscal Year 2027 (d)	Fiscal Year 2028 (e)	Fiscal Year 2029 (f)	Fiscal Year 2030 (g)	Fiscal Year 2031 (h)	Fiscal Year 2032 (i)
<u>Depreciable Net Capital Included in ISR Rate Base</u>										
1	Total Allowed Capital Included in ISR Rate Base in Current Year	Total \$100M/3 years	\$33,333,333	\$33,333,333	\$33,333,333	\$0	\$0	\$0	\$0	\$0
1a	Cumulative Allowed Capital Included in ISR Rate Base in Current Year		\$33,333,333	\$66,666,667	\$100,000,000	\$100,000,000				
2	Retirements	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2a	Allowance for Funds Used During Construction	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2b	Cumulative AFUDC		\$0	\$0	\$0	\$0				
3	Net Depreciable Capital Included in ISR Rate Base	Line 1a - Line 2	\$33,333,333	\$66,666,667	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000
<u>Change in Net Capital Included in ISR Rate Base</u>										
4	Capital Included in ISR Rate Base	Line 1a	\$33,333,333	\$66,666,667	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000
5	Depreciation Expense	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Incremental Capital Amount	Line 4 - Line 5	\$33,333,333	\$66,666,667	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000
7	Cost of Removal	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	<b>Net Plant Amount</b>	<b>Line 6 + Line 7</b>	<b>\$33,333,333</b>	<b>\$66,666,667</b>	<b>\$100,000,000</b>	<b>\$100,000,000</b>	<b>\$100,000,000</b>	<b>\$100,000,000</b>	<b>\$100,000,000</b>	<b>\$100,000,000</b>
<u>Deferred Tax Calculation:</u>										
9	Composite Book Depreciation Rate	RIPUC 4770	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%
10	Tax Depreciation	Year 1 = Page 23 of 26, Line 21; then = Page 23 of 26, Col (c)	\$0	\$0	\$0	\$82,466,138	\$1,315,085	\$1,216,349	\$1,125,264	\$1,040,737
11	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10	\$0	\$0	\$0	\$82,466,138	\$83,781,223	\$84,997,572	\$86,122,836	\$87,163,574
12	Book Depreciation	Year 1 = Line 3 × Line 9 × 50% ; then = Line 3 × Line 9	\$0	\$0	\$0	\$1,495,000	\$2,990,000	\$2,990,000	\$2,990,000	\$2,990,000
13	Cumulative Book Depreciation	Prior Year Line 13 + Current Year Line 12	\$0	\$0	\$0	\$1,495,000	\$4,485,000	\$7,475,000	\$10,465,000	\$13,455,000
14	Cumulative Book / Tax Timer	Line 11 - Line 13	\$0	\$0	\$0	\$80,971,138	\$79,296,223	\$77,522,572	\$75,657,836	\$73,708,574
15	Effective Tax Rate		21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
16	Deferred Tax Reserve	Line 14 × Line 15	\$0	\$0	\$0	\$17,003,939	\$16,652,207	\$16,279,740	\$15,888,146	\$15,478,800
17	Add: FY 2027 Federal NOL utilization	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	Net Deferred Tax Reserve before Proration Adjustment	Line 16 + Line 17	\$0	\$0	\$0	\$17,003,939	\$16,652,207	\$16,279,740	\$15,888,146	\$15,478,800
<u>ISR Rate Base Calculation:</u>										
19	Cumulative Incremental Capital Included in ISR Rate Base	Line 8	\$33,333,333	\$66,666,667	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000
20	Accumulated Depreciation	- Line 13	\$0	\$0	\$0	(\$1,495,000)	(\$4,485,000)	(\$7,475,000)	(\$10,465,000)	(\$13,455,000)
21	Deferred Tax Reserve	- Line 18	\$0	\$0	\$0	(\$17,003,939)	(\$16,652,207)	(\$16,279,740)	(\$15,888,146)	(\$15,478,800)
22	Year End Rate Base before Deferred Tax Proration	Sum of Lines 19 through 21	\$33,333,333	\$66,666,667	\$100,000,000	\$81,501,061	\$78,862,793	\$76,245,260	\$73,646,854	\$71,066,200
<u>Revenue Requirement Calculation:</u>										
23	Average Rate Base before Deferred Tax Proration Adjustment	(Prior Year Line 22 + Current Year Line 22) ÷ 2	\$16,666,667	\$50,000,000	\$83,333,333	\$90,750,531	\$80,181,927	\$77,554,026	\$74,946,057	\$72,356,527
24	Proration Adjustment	Page 24 of 26, Line 41	(\$7,318)	(\$15,097)	(\$15,987)	(\$16,808)	(\$17,570)	(\$18,273)	(\$18,925)	(\$19,526)
25	Average ISR Rate Base after Deferred Tax Proration	Line 23 + Line 24	\$16,659,349	\$49,984,903	\$83,317,346	\$90,733,723	\$80,164,357	\$77,535,753	\$74,927,132	\$72,337,001
26	Pre-Tax ROR	RIPUC 4770	8.41%	8.41%	8.41%	8.41%	8.41%	8.41%	8.41%	8.41%
27	Return and Taxes	Line 25 × Line 26	\$1,401,051	\$4,203,730	\$7,006,989	\$7,630,706	\$6,741,822	\$6,520,757	\$6,301,372	\$6,083,542
28	Book Depreciation	Line 12	\$0	\$0	\$0	\$1,495,000	\$2,990,000	\$2,990,000	\$2,990,000	\$2,990,000
29	<b>Annual Revenue Requirement</b>	<b>Sum of Lines 27 through 28</b>	<b>\$1,401,051</b>	<b>\$4,203,730</b>	<b>\$7,006,989</b>	<b>\$9,125,706</b>	<b>\$9,731,822</b>	<b>\$9,510,757</b>	<b>\$9,291,372</b>	<b>\$9,073,542</b>
30	Total Revenue Requirement		\$230,789,799							
31	20-year NPV		\$69,862,972							







(2b) Cumberland LNG investment. Spend model. recovery of book depreciation begins when placed into service 34 35

The Narragansett Electric Company  
d/b/a National Grid  
FY 2022 Gas ISR Revenue Requirement Plan  
FY 2022 Revenue Requirement FY 2022 Forecasted Incremental Gas Capital Investm

Line No.			Fiscal Year 2060 (kk)	Fiscal Year 2061 (ll)
<u>Depreciable Net Capital Included in ISR Rate Base</u>				
1	Total Allowed Capital Included in ISR Rate Base in Current Year	Total \$100M/3 years	\$0	\$0
1a	Cumulative Allowed Capital Included in ISR Rate Base in Current Year			
2	Retirements	n/a	\$0	\$0
2a	Allowance for Funds Used During Construction	n/a	\$0	\$0
2b	Cumulative AFUDC			
3	Net Depreciable Capital Included in ISR Rate Base	Line 1a - Line 2	\$100,000,000	\$100,000,000
<u>Change in Net Capital Included in ISR Rate Base</u>				
4	Capital Included in ISR Rate Base	Line 1a	\$100,000,000	\$100,000,000
5	Depreciation Expense	n/a	\$0	\$0
6	Incremental Capital Amount	Line 4 - Line 5	\$100,000,000	\$100,000,000
7	Cost of Removal	n/a	\$0	\$0
8	<b>Net Plant Amount</b>	<b>Line 6 + Line 7</b>	<b>\$100,000,000</b>	<b>\$100,000,000</b>
<u>Deferred Tax Calculation:</u>				
9	Composite Book Depreciation Rate	RIPUC 4770	2.99%	2.99%
10	Tax Depreciation	Year 1 = Page 23 of 26, Line 21; then = Page 23 of 26, Col (c)	\$0	\$0
11	Cumulative Tax Depreciation	Prior Year Line 11 + Current Year Line 10	\$100,000,001	\$100,000,001
12	Book Depreciation	Year 1 = Line 3 × Line 9 × 50% ; then = Line 3 × Line 9	\$2,825,000	\$0
13	Cumulative Book Depreciation	Prior Year Line 13 + Current Year Line 12	\$100,000,000	\$100,000,000
14	Cumulative Book / Tax Timer	Line 11 - Line 13	\$1	\$1
15	Effective Tax Rate		21.00%	21.00%
16	Deferred Tax Reserve	Line 14 × Line 15	\$0	\$0
17	Add: FY 2027 Federal NOL utilization	n/a	\$0	\$0
18	Net Deferred Tax Reserve before Proration Adjustment	Line 16 + Line 17	\$0	\$0
<u>ISR Rate Base Calculation:</u>				
19	Cumulative Incremental Capital Included in ISR Rate Base	Line 8	\$100,000,000	\$100,000,000
20	Accumulated Depreciation	- Line 13	(\$100,000,000)	(\$100,000,000)
21	Deferred Tax Reserve	- Line 18	(\$0)	(\$0)
22	Year End Rate Base before Deferred Tax Proration	Sum of Lines 19 through 21	(\$0)	(\$0)
<u>Revenue Requirement Calculation:</u>				
23	Average Rate Base before Deferred Tax Proration Adjustment	(Prior Year Line 22 + Current Year Line 22) ÷ 2	\$1,115,875	\$0
24	Proration Adjustment	Page 24 of 26, Line 41	\$0	\$0
25	Average ISR Rate Base after Deferred Tax Proration	Line 23 + Line 24	\$1,115,875	\$0
26	Pre-Tax ROR	RIPUC 4770	8.41%	8.41%
27	Return and Taxes	Line 25 × Line 26	\$93,845	\$0
28	Book Depreciation	Line 12	\$2,825,000	\$0
29	<b>Annual Revenue Requirement</b>	<b>Sum of Lines 27 through 28</b>	<b>\$2,918,845</b>	<b>\$0</b>
30	Total Revenue Requirement			
31	20-year NPV			

**(2b) Cumberland LNG investment, Spend model, recovery of book depreciation begins when placed into service**

The Narragansett Electric Company  
d/b/a National Grid

**FY 2022 Gas ISR Revenue Requirement Plan**

**Calculation of Tax Depreciation and Repairs Deduction on FY 2022 Incremental Capital Investments**

Line No.				In-Service Year			
				Fiscal Year	(b)	(c)	(d)
				2027			
				(a)			
Capital Repairs Deduction							
1	Plant Additions	Page 18 of 26, Line 1a		\$100,000,000	20 Year MACRS Depreciation		
2	Capital Repairs Deduction Rate	Per Tax Department	1/	81.78%			
3	Capital Repairs Deduction	Line 1 × Line 2		\$81,783,000			
MACRS basis: \$18,217,000							
Fiscal Year							
Annual Cumulative							
2027 3.75% \$683,138 \$82,466,138							
2028 7.22% \$1,315,085 \$83,781,223							
2029 6.68% \$1,216,349 \$84,997,572							
2030 6.18% \$1,125,264 \$86,122,836							
2031 5.71% \$1,040,737 \$87,163,574							
2032 5.29% \$962,768 \$88,126,342							
2033 4.89% \$890,447 \$89,016,789							
2034 4.52% \$823,773 \$89,840,562							
2035 4.46% \$812,843 \$90,653,404							
2036 4.46% \$812,660 \$91,466,065							
2037 4.46% \$812,843 \$92,278,907							
2038 4.46% \$812,660 \$93,091,568							
2039 4.46% \$812,843 \$93,904,410							
2040 4.46% \$812,660 \$94,717,071							
2041 4.46% \$812,843 \$95,529,913							
2042 4.46% \$812,660 \$96,342,573							
2043 4.46% \$812,843 \$97,155,416							
2044 4.46% \$812,660 \$97,968,076							
2045 4.46% \$812,843 \$98,780,919							
2046 4.46% \$812,660 \$99,593,579							
2047 2.23% \$406,421 \$100,000,000							
2048 0.00% \$0 \$100,000,000							
2049 0.00% \$0 \$100,000,000							
100.00% \$18,217,000							
\$0							
Bonus Depreciation							
4	Plant Additions	Line 1		\$100,000,000			
5	Less Capital Repairs Deduction	Line 3		\$81,783,000			
6	Plant Additions Net of Capital Repairs Deduction	Line 4 - Line 5		\$18,217,000			
7	Percent of Plant Eligible for Bonus Depreciation	Per Tax Department		0.00%			
8	Plant Eligible for Bonus Depreciation	Line 6 × Line 7		\$0			
9	Bonus Depreciation Rate 30%	Per Tax Department		0.00%			
10	Bonus Depreciation Rate 0%	Per Tax Department		0.00%			
11	Total Bonus Depreciation Rate	Line 9 + Line 10		0.00%			
12	Bonus Depreciation	Line 8 × Line 11		\$0			
Remaining Tax Depreciation							
13	Plant Additions	Line 1		\$100,000,000			
14	Less Capital Repairs Deduction	Line 3		\$81,783,000			
15	Less Bonus Depreciation	Line 12		\$0			
16	Remaining Plant Additions Subject to 20 YR MACRS Tax Depreciation	Line 13 - Line 14 - Line 15		\$18,217,000			
17	20 YR MACRS Tax Depreciation Rates	IRS Publication 946		3.75%			
18	Remaining Tax Depreciation	Line 16 × Line 17		\$683,138			
19	FY22 tax (gain)/loss on retirements	Per Tax Department	2/	\$0			
20	Cost of Removal	Page 18 of 26, Line 7		\$0			
21	Total Tax Depreciation and Repairs Deduction	Sum of Lines 3, 12, 18, 19 & 20		\$82,466,138			

1/ Capital Repairs percentage is based on a three-year average of FYs 2018, 2019 and 2020 capital repairs rates.

2/ FY 2022 estimated tax loss on retirements is tax department estimate

**(2b) Cumberland LNG investment, Spend model, recovery of book depreciation begins when placed into service**

The Narragansett Electric Company  
d/b/a National Grid  
FY 2022 Gas ISR Revenue Requirement Plan  
Calculation of Net Deferred Tax Reserve Proration on FY 2022 Incremental Capital Investments

Line No.		(a) 2027	(b) 2028	(c) 2029	(d) 2030	(e) 2031	(f) 2032	(g) 2033	(h) 2034	(i) 2035	(j) 2036	(k) 2037	(l) 2038	(m) 2039
1	Deferred Tax Subject to Proration													
1	Book Depreciation													
2	Bonus Depreciation													
3	Remaining MACRS Tax Depreciation													
4	FY22 tax (gain)/loss on retirements													
5	Cumulative Book / Tax Timer													
6	Effective Tax Rate													
7	Deferred Tax Reserve													
8	Deferred Tax Not Subject to Proration													
9	Capital Repairs Deduction													
10	Cost of Removal													
11	Book/Tax Depreciation Timing Difference at 3/31/2022													
12	Cumulative Book / Tax Timer													
13	Effective Tax Rate													
14	Deferred Tax Reserve													
15	Total Deferred Tax Reserve													
16	Net Operating Loss													
17	Net Deferred Tax Reserve													
18	Allocation of FY 2022 Estimated Federal NOL													
19	Cumulative Book/Tax Timer Subject to Proration													
20	Cumulative Book/Tax Timer Not Subject to Proration													
21	Total Cumulative Book/Tax Timer													
22	Total FY 2022 Federal NOL													
23	Allocated FY 2021 Federal NOL Not Subject to Proration													
24	Allocated FY 2021 Federal NOL Subject to Proration													
25	Effective Tax Rate													
26	Deferred Tax Benefit subject to proration													
27	Net Deferred Tax Reserve subject to proration													
28		(h)	(i)	(j)	(k)									
29	<b>Proration Calculation</b>	<b>Month</b>	<b>Proration Percentage</b>	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
30	April	30	91.78%	\$13,040	\$26,902	\$28,488	\$29,951	\$31,308	\$32,561	\$33,722	\$34,793	\$34,969	\$34,972	\$34,969
31	May	31	83.29%	\$11,833	\$24,412	\$25,852	\$27,179	\$28,411	\$29,548	\$30,602	\$31,574	\$31,733	\$31,735	\$31,733
32	June	30	75.07%	\$10,665	\$22,003	\$23,300	\$24,497	\$25,607	\$26,632	\$27,582	\$28,458	\$28,601	\$28,604	\$28,601
33	July	31	66.58%	\$9,459	\$19,514	\$20,664	\$21,725	\$22,710	\$23,619	\$24,461	\$25,238	\$25,365	\$25,367	\$25,365
34	August	31	58.08%	\$8,252	\$17,024	\$18,028	\$18,954	\$19,813	\$20,606	\$21,341	\$22,018	\$22,129	\$22,131	\$22,129
35	September	30	49.86%	\$7,084	\$14,615	\$15,477	\$16,272	\$17,009	\$17,690	\$18,321	\$18,903	\$18,998	\$19,000	\$18,998
36	October	31	41.37%	\$5,878	\$12,126	\$12,841	\$13,500	\$14,112	\$14,677	\$15,200	\$15,683	\$15,762	\$15,763	\$15,762
37	November	30	33.15%	\$4,710	\$9,717	\$10,290	\$10,818	\$11,308	\$11,761	\$12,180	\$12,567	\$12,630	\$12,632	\$12,630
38	December	31	24.66%	\$3,503	\$7,227	\$7,653	\$8,046	\$8,411	\$8,748	\$9,060	\$9,347	\$9,395	\$9,395	\$9,395
39	January	31	16.16%	\$2,297	\$4,738	\$5,017	\$5,275	\$5,514	\$5,735	\$5,939	\$6,128	\$6,159	\$6,159	\$6,159
40	February	28	8.49%	\$1,207	\$2,489	\$2,636	\$2,772	\$2,897	\$3,013	\$3,121	\$3,220	\$3,236	\$3,236	\$3,236
41	March	31	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
42	Total	365		\$77,928	\$160,769	\$170,246	\$178,989	\$187,103	\$194,586	\$201,528	\$207,928	\$208,977	\$208,995	\$208,977
43	Deferred Tax Without Proration													
44	Average Deferred Tax without Proration													
45	Proration Adjustment													

**Column Notes:**  
(i) Sum of remaining days in the year (Col (h)) divided by 365  
(j) & (k) Current Year Line 25 ÷ 12 × Current Month Col (i)

**(2b) Cumberland LNG investment, Spend model, recovery of book depreciation begins when placed into service**  
The Narragansett Electric Company  
d/b/a National Grid  
FY 2022 Gas ISR Revenue Requirement Plan  
Calculation of Net Deferred Tax Reserve Proration on FY 2022 Incremental Capital Investment

Line No.		14	15	16	17	18	19	20	21	22	23	24	25	26	27		
		(n) 2040	(o) 2041	(p) 2042	(q) 2043	(r) 2044	(s) 2045	(t) 2046	(u) 2047	(v) 2048	(w) 2049	(x) 2050	(y) 2051	(z) 2052	(aa) 2053		
1	Deferred Tax Subject to Proration																
1	Book Depreciation	Page 18 of 26, Line 12	\$2,990,000	\$2,990,000	\$2,990,000	\$2,990,000	\$2,990,000	\$2,990,000	\$2,990,000	\$2,990,000	\$2,990,000	\$2,990,000	\$2,990,000	\$2,990,000	\$2,990,000		
2	Bonus Depreciation	- Page 23 of 26 , Line 12 ,Col (a)															
3	Remaining MACRS Tax Depreciation	- Page 23 of 26 , Col (d)	(\$812,660)	(\$812,843)	(\$812,660)	(\$812,843)	(\$812,660)	(\$812,843)	(\$812,660)	(\$406,421)	\$0	\$0	\$0	\$0	\$0		
4	FY22 tax (gain)/loss on retirements	- Page 23 of 26 , Line 19 ,Col (a)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	\$2,177,340	\$2,177,157	\$2,177,340	\$2,177,157	\$2,177,340	\$2,177,157	\$2,177,340	\$2,583,579	\$2,990,000	\$2,990,000	\$2,990,000	\$2,990,000	\$2,990,000		
6	Effective Tax Rate		21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%		
7	Deferred Tax Reserve	Line 5 × Line 6	\$457,241	\$457,203	\$457,241	\$457,203	\$457,241	\$457,203	\$457,241	\$542,552	\$627,900	\$627,900	\$627,900	\$627,900	\$627,900		
8	Deferred Tax Not Subject to Proration																
8	Capital Repairs Deduction	- Page 23 of 26 , Line 3 ,Col (a)															
9	Cost of Removal	- Page 23 of 26 , Line 20															
10	Book/Tax Depreciation Timing Difference at 3/31/2022																
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10															
12	Effective Tax Rate																
13	Deferred Tax Reserve	Line 11 × Line 12															
14	Total Deferred Tax Reserve	Line 7 + Line 13	\$457,241	\$457,203	\$457,241	\$457,203	\$457,241	\$457,203	\$457,241	\$542,552	\$627,900	\$627,900	\$627,900	\$627,900	\$627,900		
15	Net Operating Loss	Page 18 of 26, Line 17															
16	Net Deferred Tax Reserve	Line 14 + Line 15	\$457,241	\$457,203	\$457,241	\$457,203	\$457,241	\$457,203	\$457,241	\$542,552	\$627,900	\$627,900	\$627,900	\$627,900	\$627,900		
17	Allocation of FY 2022 Estimated Federal NOL																
17	Cumulative Book/Tax Timer Subject to Proration	Line 5															
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11															
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18															
20	Total FY 2022 Federal NOL	Line 15 / 21%															
21	Allocated FY 2021 Federal NOL Not Subject to Proration	(Line 18 ÷ Line 19 ) × Line 20															
22	Allocated FY 2021 Federal NOL Subject to Proration	(Line 17 ÷ Line 19 ) × Line 20															
23	Effective Tax Rate																
24	Deferred Tax Benefit subject to proration	Line 22 × Line 23															
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	\$457,241	\$457,203	\$457,241	\$457,203	\$457,241	\$457,203	\$457,241	\$542,552	\$627,900	\$627,900	\$627,900	\$627,900	\$627,900		
		(h)	(i)	(k)													
	<b>Proration Calculation</b>	<b>Month</b>	<b>Proration Percentage</b>	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
26	April	30	91.78%	\$34,972	\$34,969	\$34,972	\$34,969	\$34,972	\$34,969	\$34,972	\$41,497	\$48,024	\$48,024	\$48,024	\$48,024	\$48,024	\$48,024
27	May	31	83.29%	\$31,735	\$31,733	\$31,735	\$31,733	\$31,735	\$31,733	\$31,735	\$37,657	\$43,580	\$43,580	\$43,580	\$43,580	\$43,580	\$43,580
28	June	30	75.07%	\$28,604	\$28,601	\$28,604	\$28,601	\$28,604	\$28,601	\$28,604	\$33,940	\$39,280	\$39,280	\$39,280	\$39,280	\$39,280	\$39,280
29	July	31	66.58%	\$25,367	\$25,365	\$25,367	\$25,365	\$25,367	\$25,365	\$25,367	\$30,100	\$34,836	\$34,836	\$34,836	\$34,836	\$34,836	\$34,836
30	August	31	58.08%	\$22,131	\$22,129	\$22,131	\$22,129	\$22,131	\$22,129	\$22,131	\$26,260	\$30,392	\$30,392	\$30,392	\$30,392	\$30,392	\$30,392
31	September	30	49.86%	\$19,000	\$18,998	\$19,000	\$18,998	\$19,000	\$18,998	\$19,000	\$22,544	\$26,091	\$26,091	\$26,091	\$26,091	\$26,091	\$26,091
32	October	31	41.37%	\$15,763	\$15,762	\$15,763	\$15,762	\$15,763	\$15,762	\$15,763	\$18,704	\$21,647	\$21,647	\$21,647	\$21,647	\$21,647	\$21,647
33	November	30	33.15%	\$12,632	\$12,630	\$12,632	\$12,630	\$12,632	\$12,630	\$12,632	\$14,988	\$17,346	\$17,346	\$17,346	\$17,346	\$17,346	\$17,346
34	December	31	24.66%	\$9,395	\$9,395	\$9,395	\$9,395	\$9,395	\$9,395	\$9,395	\$11,148	\$12,902	\$12,902	\$12,902	\$12,902	\$12,902	\$12,902
35	January	31	16.16%	\$6,159	\$6,159	\$6,159	\$6,159	\$6,159	\$6,159	\$6,159	\$7,308	\$8,458	\$8,458	\$8,458	\$8,458	\$8,458	\$8,458
36	February	28	8.49%	\$3,236	\$3,236	\$3,236	\$3,236	\$3,236	\$3,236	\$3,236	\$3,840	\$4,444	\$4,444	\$4,444	\$4,444	\$4,444	\$4,444
37	March	31	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
38	Total	365		\$208,995	\$208,977	\$208,995	\$208,977	\$208,995	\$208,977	\$208,995	\$247,988	\$286,999	\$286,999	\$286,999	\$286,999	\$286,999	\$286,999
39	Deferred Tax Without Proration	Line 25	\$457,241	\$457,203	\$457,241	\$457,203	\$457,241	\$457,203	\$457,241	\$542,552	\$627,900	\$627,900	\$627,900	\$627,900	\$627,900	\$627,900	\$627,900
40	Average Deferred Tax without Proration	Line 39 × 0.5	\$228,621	\$228,602	\$228,621	\$228,602	\$228,621	\$228,602	\$228,621	\$271,276	\$313,950	\$313,950	\$313,950	\$313,950	\$313,950	\$313,950	\$313,950
41	Proration Adjustment	Line 38 - Line 40	(\$19,626)	(\$19,624)	(\$19,626)	(\$19,624)	(\$19,626)	(\$19,624)	(\$19,626)	(\$23,288)	(\$26,951)	(\$26,951)	(\$26,951)	(\$26,951)	(\$26,951)	(\$26,951)	(\$26,951)

**Column Notes:**  
(i) Sum of remaining days in the year (Col (h)) divided by 365  
(j) & (k) Current Year Line 25 ÷ 12 × Current Month Col (i)

**(2b) Cumberland LNG investment, Spend model, recovery of book depreciation begins when placed into service**  
The Narragansett Electric Company  
d/b/a National Grid  
FY 2022 Gas ISR Revenue Requirement Plan  
Calculation of Net Deferred Tax Reserve Proration on FY 2022 Incremental Capital In

Line No.		28 (bb) 2054	29 (cc) 2055	30 (dd) 2056	31 (ee) 2057	32 (ff) 2058	33 (gg) 2059	34 (hh) 2060	35 (ii) 2061		
1	Deferred Tax Subject to Proration										
1	Book Depreciation	Page 18 of 26, Line 12	\$2,990,000	\$2,990,000	\$2,990,000	\$2,990,000	\$2,990,000	\$2,825,000	\$0		
2	Bonus Depreciation	- Page 23 of 26 , Line 12 ,Col (a)									
3	Remaining MACRS Tax Depreciation	- Page 23 of 26 , Col (d)	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
4	FY22 tax (gain)/loss on retirements	- Page 23 of 26 , Line 19 ,Col (a)	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
5	Cumulative Book / Tax Timer	Sum of Lines 1 through 4	\$2,990,000	\$2,990,000	\$2,990,000	\$2,990,000	\$2,990,000	\$2,825,000	\$0		
6	Effective Tax Rate		21%	21%	21%	21%	21%	21%	21%		
7	Deferred Tax Reserve	Line 5 × Line 6	\$627,900	\$627,900	\$627,900	\$627,900	\$627,900	\$593,250	\$0		
	Deferred Tax Not Subject to Proration										
8	Capital Repairs Deduction	- Page 23 of 26 , Line 3 ,Col (a)									
9	Cost of Removal	- Page 23 of 26 , Line 20									
10	Book/Tax Depreciation Timing Difference at 3/31/2022										
11	Cumulative Book / Tax Timer	Line 8 + Line 9 + Line 10									
12	Effective Tax Rate										
13	Deferred Tax Reserve	Line 11 × Line 12									
14	Total Deferred Tax Reserve	Line 7 + Line 13	\$627,900	\$627,900	\$627,900	\$627,900	\$627,900	\$593,250	\$0		
15	Net Operating Loss	Page 18 of 26, Line 17									
16	Net Deferred Tax Reserve	Line 14 + Line 15	\$627,900	\$627,900	\$627,900	\$627,900	\$627,900	\$593,250	\$0		
	Allocation of FY 2022 Estimated Federal NOL										
17	Cumulative Book/Tax Timer Subject to Proration	Line 5									
18	Cumulative Book/Tax Timer Not Subject to Proration	Line 11									
19	Total Cumulative Book/Tax Timer	Line 17 + Line 18									
20	Total FY 2022 Federal NOL	Line 15 / 21%									
21	Allocated FY 2021 Federal NOL Not Subject to Proration	(Line 18 ÷ Line 19 ) × Line 20									
22	Allocated FY 2021 Federal NOL Subject to Proration	(Line 17 ÷ Line 19 ) × Line 20									
23	Effective Tax Rate										
24	Deferred Tax Benefit subject to proration	Line 22 × Line 23									
25	Net Deferred Tax Reserve subject to proration	Line 7 + Line 24	\$627,900	\$627,900	\$627,900	\$627,900	\$627,900	\$593,250	\$0		
		(h)	(i)	(k)	(k)	(k)	(k)	(k)	(k)		
	<b>Proration Calculation</b>	<u>Number of Days in</u>									
		<u>Month</u>	<u>Proration Percentage</u>	2054	2055	2056	2057	2058	2059	2060	2061
26	April	30	91.78%	\$48,024	\$48,024	\$48,024	\$48,024	\$48,024	\$48,024	\$45,374	\$0
27	May	31	83.29%	\$43,580	\$43,580	\$43,580	\$43,580	\$43,580	\$43,580	\$41,175	\$0
28	June	30	75.07%	\$39,280	\$39,280	\$39,280	\$39,280	\$39,280	\$39,280	\$37,112	\$0
29	July	31	66.58%	\$34,836	\$34,836	\$34,836	\$34,836	\$34,836	\$34,836	\$32,913	\$0
30	August	31	58.08%	\$30,392	\$30,392	\$30,392	\$30,392	\$30,392	\$30,392	\$28,714	\$0
31	September	30	49.86%	\$26,091	\$26,091	\$26,091	\$26,091	\$26,091	\$26,091	\$24,651	\$0
32	October	31	41.37%	\$21,647	\$21,647	\$21,647	\$21,647	\$21,647	\$21,647	\$20,452	\$0
33	November	30	33.15%	\$17,346	\$17,346	\$17,346	\$17,346	\$17,346	\$17,346	\$16,389	\$0
34	December	31	24.66%	\$12,902	\$12,902	\$12,902	\$12,902	\$12,902	\$12,902	\$12,190	\$0
35	January	31	16.16%	\$8,458	\$8,458	\$8,458	\$8,458	\$8,458	\$8,458	\$7,991	\$0
36	February	28	8.49%	\$4,444	\$4,444	\$4,444	\$4,444	\$4,444	\$4,444	\$4,199	\$0
37	March	31	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
38	Total	365		\$286,999	\$286,999	\$286,999	\$286,999	\$286,999	\$286,999	\$271,161	\$0
39	Deferred Tax Without Proration	Line 25		\$627,900	\$627,900	\$627,900	\$627,900	\$627,900	\$627,900	\$593,250	\$0
40	Average Deferred Tax without Proration										
		Line 39 × 0.5		\$313,950	\$313,950	\$313,950	\$313,950	\$313,950	\$313,950	\$296,625	\$0
41	Proration Adjustment	Line 38 - Line 40		(\$26,951)	(\$26,951)	(\$26,951)	(\$26,951)	(\$26,951)	(\$26,951)	(\$25,464)	\$0

**Column Notes:**  
(i) Sum of remaining days in the year (Col (h)) divided by 365  
(j) & (k) Current Year Line 25 ÷ 12 × Current Month Col (i)